

**TOWNSHIP OF TROWBRIDGE  
ALLEGAN COUNTY, MICHIGAN  
FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2007**

## Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name <b>Township of Trowbridge</b>	County <b>Allegan</b>
Fiscal Year End <b>3-31-07</b>	Opinion Date <b>9-7-07</b>	Date Audit Report Submitted to State <b>9-8-07</b>	

We affirm that:


We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

- YES NO Check each applicable box below. (See instructions for further detail.)
- ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
  - ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
  - ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
  - ☒ ☐ The local unit has adopted a budget for all required funds.
  - ☒ ☐ A public hearing on the budget was held in accordance with State statute.
  - ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
  - ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
  - ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
  - ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
  - ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
  - ☐ ☒ The local unit is free of repeated comments from previous years.
  - ☒ ☐ The audit opinion is UNQUALIFIED.
  - ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
  - ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
  - ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

<b>We have enclosed the following:</b>	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>		
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) <b>Scott E. Campbell, P.C.</b>		Telephone Number <b>269-673-6634</b>	
Street Address <b>428 Water Street</b>		City <b>Allegan</b>	State Zip <b>MI 49010</b>
Authorizing CPA Signature 		Printed Name <b>Scott E. Campbell</b>	License Number <b>110101045</b>

## **TOWNSHIP OF TROWBRIDGE**

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## INDEPENDENT AUDITOR'S REPORT

September 7, 2007

To the Township Board  
Township of Trowbridge  
Allegan County, Michigan

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Trowbridge, Allegan County, Michigan as of and for the year ended March 31, 2007, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Trowbridge Township, Allegan County, Michigan management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Trowbridge as of March 31, 2007, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on page 2 and 20-22 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Township of Trowbridge's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I express no opinion on it.

Respectfully submitted,

  
Scott E. Campbell, P.C.  
Certified Public Accountant

## **Management's Discussion and Analysis**

### **Using this Annual Report**

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the Township as a whole and present a longer-term view of the Township's finances. Fund financial statements tell how these services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide financial statements.

### **The Township as a Whole**

The Township's combined net assets increased 9 1/2% from a year ago - increasing from \$1,186,984 to \$1,299,926. Our tax base has remained stable, but new construction is down. Our unrestricted fund balance is \$398,483. We have reserved \$71,500 for a tax roll reassessment project which is anticipated to begin this coming fiscal year.

The Township's net assets continue to remain strong.

### **Contacting The Township's Management**

This financial report is intended to provide our citizens, taxpayers, customers and investors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the Township Supervisor.

**TOWNSHIP OF TROWBRIDGE**  
**GOVERNMENT WIDE STATEMENT OF NET ASSETS**  
**MARCH 31, 2007**

	<u>Primary Government</u>	
	<u>Governmental Activities</u>	<u>Total</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,118,412	\$ 1,118,412
Receivables-net	40,403	40,403
Due from other funds	2,040	2,040
Prepays	4,626	4,626
Capital assets-net	<u>140,656</u>	<u>140,656</u>
 Total Assets	 <u>1,306,137</u>	 <u>1,306,137</u>
<b>LIABILITIES</b>		
Accounts payable	4,171	4,171
Accrued and other liabilities	-	-
Due to other funds	<u>2,040</u>	<u>2,040</u>
 Total Liabilities	 <u>6,211</u>	 <u>6,211</u>
<b>NET ASSETS</b>		
Invested in capital assets net of related debt	140,656	140,656
Restricted For		
Streets and highways	531,595	531,595
Public safety	157,692	157,692
Reassessment Project	71,500	71,500
Unrestricted	<u>398,483</u>	<u>398,483</u>
 Total Net Assets	 <u>\$ 1,299,926</u>	 <u>\$ 1,299,926</u>

The Notes to Financial Statements are an integral part of this statement.

**TOWNSHIP OF TROWBRIDGE**  
**GOVERNMENT WIDE STATEMENT OF ACTIVITIES**  
**YEAR ENDED MARCH 31, 2007**

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government
					Governmental Activities      Business-Type Activities      Total
<b>Primary Government</b>					
General government	\$ 92,778	\$ 4,323	\$ -	\$ -	\$ (88,455)      \$ (88,455)
Public safety	86,226	600	-	-	(85,626)      (85,626)
Public works	73,188	-	-	-	(73,188)      (73,188)
Health and welfare	9,000	-	-	-	(9,000)      (9,000)
Community/Economic development	22,328	20,562	-	-	(1,766)      (1,766)
Recreation and culture	3,700	-	-	-	(3,700)      (3,700)
Total Governmental Activities	287,220	25,485	-	-	(261,735)      (261,735)
Total Primary Government	\$ 287,220	\$ 25,485	\$ -	\$ -	(261,735)      (261,735)
<b>General Revenues</b>					
Property taxes					131,044      -      131,044
State-shared revenues					173,032      -      173,032
Investment earnings					50,525      -      50,525
Franchise fees					5,895      -      5,895
Miscellaneous					14,181      -      14,181
Transfers					-      -      -
Total General Revenues-Special Items and Transfers					374,677      -      374,677
Change in Net Assets					112,942      -      112,942
Net Assets-Beginning					1,186,984      -      1,186,984
Net Assets-Ending					\$ 1,299,926      \$ -      \$ 1,299,926

The Notes to Financial Statements are an integral part of this statement.

**TOWNSHIP OF TROWBRIDGE  
GOVERNMENTAL FUND BALANCE SHEET  
MARCH 31, 2007**

	<u>General Fund</u>	<u>Road Fund</u>	<u>Fire Fund</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 424,594	\$ 526,269	\$ 157,692
Investments	-	-	-
Receivables-net	35,077	5,326	-
Due from other funds	2,040	-	-
Prepays	<u>4,626</u>	<u>-</u>	<u>-</u>
Total Assets	<u>466,337</u>	<u>531,595</u>	<u>157,692</u>
<b>LIABILITIES</b>			
Accounts payable	4,171	-	-
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>4,171</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>			
Reserved For			
Road projects	-	531,595	-
Public safety	-	-	157,692
Reassessment Project	71,500		
Unreserved	<u>390,666</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>\$ 462,166</u>	<u>\$ 531,595</u>	<u>\$ 157,692</u>

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the funds.

Net Assets of Governmental Activities



Non-Major Governmental Funds	Total Governmental Funds
\$ 9,857	\$ 1,118,412
-	-
-	40,403
-	2,040
-	4,626
<u>9,857</u>	<u>1,165,481</u>
-	4,171
<u>2,040</u>	<u>2,040</u>
<u>2,040</u>	<u>6,211</u>
-	531,595
-	157,692
-	71,500
<u>7,817</u>	<u>398,483</u>
<u>\$ 7,817</u>	1,159,270
	<u>140,656</u>
	<u>\$ 1,299,926</u>

The Notes to Financial Statements are an integral part of this statement.

**TOWNSHIP OF TROWBRIDGE**  
**GOVERNMENTAL FUND STATEMENT OF REVENUE, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**YEAR ENDED MARCH 31, 2007**

	General Fund	Road Fund	Fire Fund
<b>Revenues</b>			
Taxes and penalties	\$ 68,308	\$ 62,736	\$ -
Licenses and permits	300	-	-
State aid	173,032	-	-
Charges for services	10,518	-	-
Interest and rentals	25,793	17,779	6,953
Other revenue	14,181	-	-
Total Revenues	<u>292,132</u>	<u>80,515</u>	<u>6,953</u>
<b>Expenditures</b>			
Current			
General government	89,477	-	-
Public safety	-	-	77,840
Public works	2,477	70,711	-
Health and welfare	9,000	-	-
Recreation and cultural	3,700	-	-
Community/Economic development	4,003	-	-
Capital outlay	-	-	-
Total Expenditures	<u>108,657</u>	<u>70,711</u>	<u>77,840</u>
<b>Excess of Revenues Over (Under)</b>			
<b>Expenditures</b>	<u>183,475</u>	<u>9,804</u>	<u>(70,887)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	-	40,100	54,777
Transfers (out)	<u>(94,877)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(94,877)</u>	<u>40,100</u>	<u>54,777</u>
<b>Excess of Revenue and Other Sources Over (Under)</b>			
<b>Expenditures and Other Uses</b>	88,598	49,904	(16,110)
Fund Balance-April 1, 2006	<u>373,568</u>	<u>481,691</u>	<u>173,802</u>
Fund Balance-March 31, 2007	<u>\$ 462,166</u>	<u>\$ 531,595</u>	<u>\$ 157,692</u>

The Notes to Financial Statements are an integral part of this statement.

Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ 131,044
20,562	20,862
-	173,032
-	10,518
-	50,525
-	14,181
<u>20,562</u>	<u>400,162</u>
-	89,477
-	77,840
-	73,188
-	9,000
-	3,700
18,325	22,328
-	-
<u>18,325</u>	<u>275,533</u>
<u>2,237</u>	<u>124,629</u>
-	94,877
-	<u>(94,877)</u>
-	-
2,237	124,629
<u>5,580</u>	<u>1,034,641</u>
<u>\$ 7,817</u>	<u>\$ 1,159,270</u>

The Notes to Financial Statements are an integral part of this statement.

**TOWNSHIP OF TROWBRIDGE  
FIDUCIARY FUNDS-STATEMENT OF NET ASSETS  
MARCH 31, 2007**

	Agency Fund Type (Property Tax Collection Fund)
<b>ASSETS</b>	
Cash and cash equivalents	\$ 3,396
 Total Assets	 <u>\$ 3,396</u>
 <b>LIABILITIES</b>	
Due to other governmental units	\$ 3,396
 Total Liabilities	 <u>\$ 3,396</u>

The Notes to Financial Statements are an integral part of this statement.

**TOWNSHIP OF TROWBRIDGE  
ALLEGAN COUNTY, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2007**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Township of Trowbridge, Allegan County, Michigan is a general law Township. The Township operates under an elected Board/Supervisor form of government and provides the following services as authorized by its charter: public safety, highways and streets, public improvements, cultural recreation, planning and zoning, and administrative services.

The accounting policies of the Township of Trowbridge conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

**A. The Reporting Entity**

In accordance with generally accepted accounting principles and Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity", these financial statements present the Township. The criteria established by the GASB for determining the reporting entity includes oversight responsibility, fiscal dependency, and whether the financial statements would be misleading if data were not included.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e. the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements.

Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**TOWNSHIP OF TROWBRIDGE  
ALLEGAN COUNTY, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2007**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Property taxes, state-shared revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current period. All other revenue items are considered to be available only when cash is received by the government.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Road Fund is a Special Revenue Fund of the Township. The Road Fund is used to account for the proceeds of specific revenue tax millages that are legally restricted to expenditures for specified purposes.

The Fire Fund is a Special Revenue Fund of the Township. The Fire Fund is used to account for all financial resources of public safety.

**TOWNSHIP OF TROWBRIDGE  
ALLEGAN COUNTY, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2007**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**  
(continued)

Additionally, the government reports the following non-major fund types:

The Building Inspection Fund is a Special Revenue Fund of the Township. The Building Inspection Fund is used to account for all resources of the Township's permits and licenses.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's water and sewer function and various other functions of the government. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenue include: (1) charges to customers or applicants for goods, services or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

Finally, the government reports the following fund types:

The Tax Collection Fund is a Fiduciary Fund accountable for assets held by the Township in a trustee or agency capacity for individuals, private organizations, other governments, and/or other funds.

**D. Assets, Liabilities, and Net Assets or Equity**

Bank Deposits and Investments-Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables and Payables-In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

**TOWNSHIP OF TROWBRIDGE  
ALLEGAN COUNTY, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2007**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Liabilities, and Net Assets or Equity (Continued)**

Receivables and Payables-(Continued)

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied on each December 1st on the taxable valuation of property as of the preceding December 31st. Taxes are considered delinquent on March 1st of the following year, at which time penalties and interest are assessed. Summer state education taxes are collected directly by the county.

Inventories and Prepaid Items-Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets-Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

Buildings	30 to 40 years
Building Improvements	15 to 30 years
Roads	10 to 30 years
Fire Equipment	07 to 25 years
Vehicles	03 to 05 years
Office Equipment	05 to 07 years
Computer Equipment	03 to 07 years



**TOWNSHIP OF TROWBRIDGE  
ALLEGAN COUNTY, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2007**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Liabilities, and Net Assets or Equity (Continued)**

Compensated Absences (Vacation and Sick Leave)-It is the government's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year-end.

Fund Equity-In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The Government-wide financial statements differ from the Governmental fund financial statements only for the effect of the inclusion of capital assets.

Capitalized Asset Costs	\$ 321,281
Less Accumulated Depreciation	<u>(180,625)</u>
Capital Assets, net	140,656
Governmental Fund Balances	<u>1,159,270</u>
Net Assets of Governmental Activities	\$ <u>1,299,926</u>

**TOWNSHIP OF TROWBRIDGE  
ALLEGAN COUNTY, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2007**

**NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Budgetary Information-The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Formal budgetary integration is employed as a management control device during the year. These budgets are adopted on a basis consistent with generally accepted accounting principles.
2. The Township Board approves, by ordinance, total budget appropriations only. Any revisions that alter the total appropriations of any fund must be approved by the Township Board, therefore, the level of budgetary responsibility is by total appropriations; however, for report purposes, this level has been expanded to a functional basis (General Government, Public Safety, etc.).
3. Unused appropriations for all of the above annually budgeted funds lapse at the end of the year.
4. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

Fund Deficits-The Local Governmental Unit has no accumulated fund balance deficits at this time.

**NOTE 4 - DEPOSITS AND INVESTMENTS**

Michigan Compiled Laws, Section 129.91, authorizes the local governmental unit to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The local unit is allowed to invest in bonds, securities and other direct obligations of the United States or any agency or instrumentality of the United States; United States government or federal agency obligations;

**TOWNSHIP OF TROWBRIDGE  
ALLEGAN COUNTY, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2007**

**NOTE 4 - DEPOSITS AND INVESTMENTS (Continued)**

repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

The Local Governmental Unit Board has designated several banks for the deposit of Local Unit funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs, but not the remainder of State statutory authority as listed above.

The Local Governmental Unit's deposits and investment policy are in accordance with statutory authority.

At year-end, the Local Unit's deposits and investments were reported in the basic financial statements in the following categories:

	<u>Governmental Activities</u>	<u>Fiduciary Funds</u>	<u>Total Primary Government</u>
Cash and Cash Equivalents	\$ 1,118,412	\$ 3,396	\$ 1,121,808

The breakdown between deposits and investments is as follows:

	<u>Primary Government</u>
Bank Deposits (checking and savings accounts, certificates of deposit)	\$ 1,121,808
Investments in Securities, Mutual Funds and Similar Vehicles	-
Petty Cash and Cash on Hand	-
Total	<u>\$ 1,121,808</u>

The bank balance of the primary government's deposits is \$1,121,808, of which \$953,670 is covered by federal depository insurance.

**TOWNSHIP OF TROWBRIDGE  
ALLEGAN COUNTY, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2007**

**NOTE 5 - RECEIVABLES**

Receivables as of year-end for the government's individual major, nonmajor funds and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are reported in the Government Wide Statement of Net Assets as follows:

	<u>Major Funds</u>			<u>Non-Major and Other Funds</u>	<u>Total</u>
	<u>General Fund</u>	<u>Road Fund</u>	<u>Fire Special Millage</u>		
Taxes receivable	\$ 35,077	\$ 5,326	\$ -	\$ -	\$ 40,403
Special assessments	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Less: Allowance for uncollectibles	-	-	-	-	-
Net Receivables	<u>\$ 35,077</u>	<u>\$ 5,326</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,403</u>

**TOWNSHIP OF TROWBRIDGE  
ALLEGAN COUNTY, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2007**

**NOTE 6 - CAPITAL ASSETS**

Capital asset activity of the primary government for the current year was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital Assets Not Being Depreciated				
Land	\$ 15,105	\$ -	\$ -	\$ 15,105
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>15,105</u>	<u>-</u>	<u>-</u>	<u>15,105</u>
Capital Assets Being Depreciated				
Buildings	81,430	-	-	81,430
Improvements other than buildings	-	-	-	-
Machinery and equipment	224,746	-	-	224,746
Infrastructure	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>306,176</u>	<u>-</u>	<u>-</u>	<u>306,176</u>
Less Accumulated Depreciation for				
Buildings	47,320	2,036	-	49,356
Improvements other than buildings	-	-	-	-
Machinery and equipment	121,618	9,651	-	131,269
Infrastructure	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>168,938</u>	<u>11,687</u>	<u>-</u>	<u>180,625</u>
Net Capital Assets Being Depreciated	<u>137,238</u>	<u>(11,687)</u>	<u>-</u>	<u>125,551</u>
Governmental Activities Capital Total				
Capital Assets-Net of Depreciation	<u>\$ 152,343</u>	<u>\$ (11,687)</u>	<u>\$ -</u>	<u>\$ 140,656</u>

The Township has been formed and assets acquired well over 40 years ago. Historical costs and market values at time of land and building donations are not known. Many assets are fully depreciated with unknown salvage values. The most recent asset acquisitions are recorded and depreciated.

Depreciation expense was charged to programs of the primary government as follows:

<b>Governmental Activities</b>	
General government	\$ 3,301
Public safety	8,386
Public works	-
Economic development	-
Recreation and culture	<u>-</u>
Total Governmental Activities	<u>\$ 11,687</u>

**TOWNSHIP OF TROWBRIDGE  
ALLEGAN COUNTY, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2007**

**NOTE 7 - INTERFUND RECEIVABLES, PAYABLE AND TRANSFERS**

The composition of interfund balances is as follows:

<b>Due To/From Other Funds</b>		
<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Building Insp.	\$ 2,040
Total		<u>\$ 2,040</u>

**Interfund Transfers**

	<u>Transfers (Out)</u>		
<u>Transfers In</u>	<u>General Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total</u>
Road Fund	\$ 40,100	\$ -	\$ 40,100
Fire Fund	<u>54,777</u>	<u>-</u>	<u>54,777</u>
Total	<u>\$ 94,877</u>	<u>\$ -</u>	<u>\$ 94,877</u>

**REQUIRED SUPPLEMENTAL INFORMATION  
AND  
ADDITIONAL INFORMATION**

**TOWNSHIP OF TROWBRIDGE  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED MARCH 31, 2007**

	Original Budget	Amended Budget	Actual	Variance With Amended Budget
Beginning of Year Fund Balance	\$ 373,568	\$ 373,568	\$ 373,568	\$ -
Resources (Inflows)				
Property taxes	59,500	63,525	68,308	4,783
State aid	175,000	175,000	173,032	(1,968)
Licenses and permits	1,000	600	300	(300)
Charges for services	13,300	10,225	10,518	293
Interest and rentals	13,000	21,550	25,793	4,243
Miscellaneous revenues	3,500	6,000	14,181	8,181
Transfers from other funds	-	-	-	-
Amounts Available for Appropriation	<u>638,868</u>	<u>650,468</u>	<u>665,700</u>	<u>15,232</u>
Charges to Appropriations (Outflows)				
General Government				
Township board	22,750	17,330	17,042	288
Supervisor	18,825	15,735	15,589	146
Treasurer	12,425	12,102	11,887	215
Assessing	75,000	75,000	4,307	70,693
Clerk	12,560	10,455	10,419	36
Elections	12,250	6,695	6,464	231
Other General Government				
Miscellaneous	10,925	4,576	4,312	264
Building and grounds	7,550	6,885	6,583	302
Attorney	500	-	-	-
Cemetery	13,400	12,875	12,874	1
Public Safety				
Fire	-	-	-	-
Building inspections	-	-	-	-
Public Works				
Roads	-	-	-	-
Transfer station	5,500	2,515	2,477	38
Recreation and culture	3,000	3,700	3,700	-
Health and welfare	10,000	9,000	9,000	-
Commercial planning and development	4,900	4,032	4,003	29
Transfers to other funds	<u>55,715</u>	<u>96,000</u>	<u>94,877</u>	<u>1,123</u>
Total Charges to Appropriations	<u>265,300</u>	<u>276,900</u>	<u>203,534</u>	<u>73,366</u>
Budgetary Fund Balance-March 31	<u>\$ 373,568</u>	<u>\$ 373,568</u>	<u>\$ 462,166</u>	<u>\$ 88,598</u>



**TOWNSHIP OF TROWBRIDGE  
BUDGETARY COMPARISON SCHEDULE  
ROAD FUND  
YEAR ENDED MARCH 31, 2007**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance With Amended Budget</u>
Beginning of Year Fund Balance	\$ 481,691	\$ 481,691	\$ 481,691	\$ -
Resources (Inflows)				
Property taxes	48,000	65,000	62,736	(2,264)
Interest	10,000	10,000	17,779	7,779
Transfers from other funds	<u>17,107</u>	<u>40,126</u>	<u>40,100</u>	<u>(26)</u>
Amounts Available for Appropriation	<u>556,798</u>	<u>596,817</u>	<u>602,306</u>	<u>5,489</u>
Charges to Appropriations (Outflows)				
Public Works				
Roads	<u>17,107</u>	<u>87,126</u>	<u>70,711</u>	<u>16,415</u>
Total Charges to Appropriations	<u>17,107</u>	<u>87,126</u>	<u>70,711</u>	<u>16,415</u>
Budgetary Fund Balance-March 31	<u>\$ 539,691</u>	<u>\$ 509,691</u>	<u>\$ 531,595</u>	<u>\$ 21,904</u>

**TOWNSHIP OF TROWBRIDGE  
BUDGETARY COMPARISON SCHEDULE  
FIRE FUND  
YEAR ENDED MARCH 31, 2007**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance With Amended Budget</u>
Beginning of Year Fund Balance	\$ 173,802	\$ 173,802	\$ 173,802	\$ -
Resources (Inflows)				
Interest	4,000	4,200	6,953	2,753
Transfers from other funds	<u>53,765</u>	<u>86,865</u>	<u>54,777</u>	<u>(32,088)</u>
Amounts Available for Appropriation	<u>231,567</u>	<u>264,867</u>	<u>235,532</u>	<u>(29,335)</u>
Charges to Appropriations (Outflows)				
Public Safety				
Fire	<u>53,765</u>	<u>86,865</u>	<u>77,840</u>	<u>9,025</u>
Total Charges to Appropriations	<u>53,765</u>	<u>86,865</u>	<u>77,840</u>	<u>9,025</u>
Budgetary Fund Balance-March 31	<u>\$ 177,802</u>	<u>\$ 178,002</u>	<u>\$ 157,692</u>	<u>\$ (20,310)</u>

**TOWNSHIP OF TROWBRIDGE  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
YEAR ENDED MARCH 31, 2007**

	<u>Special Revenue Funds</u>	<u>Total</u>
	<u>Building Inspection</u>	<u>Non-Major Governmental Funds</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 9,857	\$ 9,857
Investments	-	-
Taxes receivable	-	-
Accounts receivable	-	-
Due from State of Michigan	-	-
Due from local units	-	-
<b>Total Assets</b>	<b><u>\$ 9,857</u></b>	<b><u>\$ 9,857</u></b>
<b>Liabilities and Fund Equity</b>		
<b>Liabilities</b>		
Accounts payable	-	-
Accrued liabilities	-	-
Due to general fund	2,040	2,040
Advances from State	-	-
Advances from other counties	-	-
Deferred revenue	-	-
<b>Total Liabilities</b>	<b><u>2,040</u></b>	<b><u>2,040</u></b>
<b>Fund Balance</b>		
Reserved	7,817	7,817
Unreserved	-	-
Designated	-	-
Undesignated	-	-
<b>Total Fund Equity</b>	<b><u>7,817</u></b>	<b><u>7,817</u></b>
<b>Total Liabilities and Fund Equity</b>	<b><u>\$ 9,857</u></b>	<b><u>\$ 9,857</u></b>

**TOWNSHIP OF TROWBRIDGE**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED MARCH 31, 2007**

	Special Revenue Funds Building Inspection	Non-Major Governmental Funds
Revenues		
Taxes and penalties	\$ -	\$ -
Charges for services	20,562	20,562
Interest and rentals	-	-
Other revenue	-	-
Total Revenues	<u>20,562</u>	<u>20,562</u>
Expenditures		
Current		
Judicial	-	-
General government	-	-
Public safety	-	-
Recreation and cultural	-	-
Other	18,325	18,325
Debt service	-	-
Capital outlay	-	-
Total Expenditures	<u>18,325</u>	<u>18,325</u>
Excess of Revenues Over (Under) Expenditures	2,237	2,237
Other Financing Sources (Uses)		
Operating Transfers In	-	-
Operating Transfers (Out)	-	-
Bond Proceeds	-	-
Total Other Financing Sources (Uses)	-	-
Excess of Revenue and Other Sources Over (Under)		
Expenditures and Other Uses	2,237	2,237
Fund Balance-April 1, 2004	<u>5,580</u>	<u>5,580</u>
Fund Balance-March 31, 2005	<u>\$ 7,817</u>	<u>\$ 7,817</u>

# **SCOTT E. CAMPBELL, P.C.**

*Certified Public Accountant*  
*Certified Governmental Financial Manager*

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September 7, 2007

In planning and performing the audit of the Basic Financial Statements of the Township of Trowbridge for the year ended March 31, 2007, I considered the Township's internal control structure to determine audit procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

However, during my audit I became aware of a few matters that are an opportunity to strengthen internal control and increase operating efficiency. I offer the following items for your consideration.

## **Road Fund**

The Road Fund has one investment account which exceeds the federal depository insurance limit. The township should consider transferring the excess funds to a different bank.

## **Building Inspection Fund**

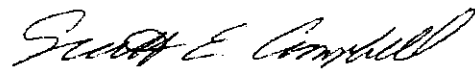
The Building Inspection Fund owes \$2,040 to the General fund for administrative fees. This payment should be made as soon as it is practical.

## **General**

In general the internal control systems of the Township are good and functioning properly. The comments noted above will help the Township strengthen the existing controls and will help provide greater accountability to residents of the Township.

I greatly appreciate the help and cooperation given me by all Township employees and officials.

Respectfully submitted,



Scott E. Campbell, P.C.  
Certified Public Accountant